(c) whether Government will review the vast authority given to SCICI to have a free hand on its lending activities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY: (a) SCICI has reported that while shipping and fishing industry remain the focus areas of its operations, the company has diversified its lending activities to all sectors of the economy with a view to diversify its risks and build up a healthy portfolio. It monitors lending in various sectors and ensures that the exposure to each sector is within prudential norms.

(b) SCICI has reported that over the years it has built up adequate expertise in appraising, financing and monitoring small, medium and large projects in various sectors.

(c) SCICI is governed by policies as decided by its Board of Directors from time to time. Insofar as loans granted by erstwhile Shipping Development Fund Committee are concerned, SCICI acts as an agent (designated person) of Government for recovery/administration of portfolio.

Rotating of Nominee Directors of IFCI

2274. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government will consider rotating nominee Directors of IFCI who have become controversial while serving on various private Boards;

(b) whether Government have any guidelines in this regard to have clean administration; and

(c) the steps proposed to ensure that nominee Directors maintain highest efficiency and probity?

THE MINISTER OF STATE IN THE MINISTRY OF -EINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The financial insitutions (FIs) such as the Industrial Finance Corporation of India Ltd. (IFCI) themselves review the performance of their nominee directors and also take appropriate action wherever necessary.

(b) and (c): FIs have evolved guidelines in respect of nominee directors appointed by them on the Boards of assisted companies. These guidelines also take into account instructions issued on the subject by Government from time to time. The nominee directors are expected to act in the best interest of the company and also safeguard the interest of the FI concerned. If a FI is not satisfied with the performance of a nominee director, it can withdraw his nomination from the Board of the company concerned.

Agencies dealing with exchange of Soiled Currency Notes

2275. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has authorised some individuals and certain agencies of country to deal with exchange of soiled and torn currency notes and to provide coins of different denominations;

(b) if so, the names of such individuals/agencies, State and Territory-wise with their complete addresses;

(c) whether some formalities have been prescribed for appointing such individuals and agencies by the Reserve Bank of India;

(d) if so, the details thereof with functions of such individuals/agencies and commission charged by them for their each service;

(e) whether Government propose to appoint such individual/agencies in other cities in future; and

(f) if so, the names and cities identified for the purpose and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY: (a) No, Sir.

(b) to (f) Do not arise.

Banks Exchanging Soiled Currency Notes

2276. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether certain banks in Public Sector have set up special counters in different branches of country to exchange soiled and torn currency notes and to privide coins of different denominations on demand of people;

(b) if so, the names of such branches, location-wise and bank-wise with working hours in each case;

(c) whether certain banks in private sector have also set up special counters in different branches of country to exchange soiled and torn currency notes and to provide coins of different denominations on demand of people;

(d) if so, the names of such branches, location and bank-wise, with working hours in each case;

(e) whether the step has been taken to reduce the crowds in the Reserve Bank of India;

(f) whether Government propose to extend this facility through some more branches of different banks in the country; and

(g) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY: (a) to (g) The information is being collected and will be laid on the Table of the House.

Cases of Receiving Illegal Funds

2277. SHRI SURINDER KUMAR SINGLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate have dropped and even not registered the cases against those who have received illegal funds less than Rs. 2.5 lakhs from foreign countries;

(b) if so, the facts and details thereof;

(c) whether receiving of illegal funds are not violative of the FERA; and

(d) if so, what further action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY: (a) No, Sir.

(b) Does not arise.

(c) Receiving of funds in the form of gifts by making counterpart payments in India is a violation of the provisions of Foreign Exchange Regulation Act, 1973 (FERA).

(d) Action as envisaged under FERA will be taken against the guilty persons.

Smuggling of Mandrax

2278. SHRI SURINDER KUMAR SINGLA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news-item captioned 'Mandrax Smuggling on the rise' as reported in the Statesman dated 9th January, 1993;

(b) whether smuggling of drug from foreign countries is increasing rapidly and no check is made by the security people;

(c) if so, the quantum of drugs (narcotics) seized during the last one year, and

(d) the number of persons arrested and the effective steps Government propose to take to curb smuggling of narcotics in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY: (a) Yes, Sir.

(b) and (c) Since smuggling of narcotics is a clandestine activity, it cannot be said definitely whether it has increased or otherwise. As per the available information, the quantity of the drugs seized by various agencies during the year 1994 is given as under.—

DRUGS	QUANTITY SEIZED (In Kg)
Opium	2248
Heroin	994
Ganja	184105
Hashish	6952
Methaqualone	43113

As far as mandrax (methaqualone) is concerned, it may be mentioned that this drug is smuggled from India to foreign countries, specially South Africa and the relative increase in the seizures of 1994 compared to the previous year would indicate that our enforcement agencies are fully alert and active.

(d) The number of persons arrested in 1994 is 14,717. Instructions have been issued to all the enforcement agencies to maintain the utmost vigil and step up enforcement efforts under the stringent provisions contained in NDPS Act. Training is being imparted to officers to improve their effectiveness. Vehicles and communication